Illinois Department of Revenue

INFORMATIONAL BULLETIN

FY89-9E June 1989

+ ENTERPRISE ZONE ACT SALES TAX EXEMPTION

+---+

|TO:|BUILDING MATERIALS providing a sales tax +---+RETAILERS LOCATED exemption of state, WITHIN THE local, and county KANKAKEE RIVER supplementary taxes or VALLEY certain sales of

If your business does not sell building materials, please disregard this bulletin.

Enterprise Zone Expanded

The Illinois Department of Commerce and Community Affairs has expanded the Kankakee River Valley Enterprise Zone to include certain portions of the village of Aroma Park, effective May 1,1989. Previously, the Kankakee River Valley Enterprise Zone included certain contiguous areas located in the city of Kankakee, Villages of Bourbonnais and Bradley, as well as the contiquous areas located in unincorporated Kankakee County.

The local taxing jurisdiction has adopted an ordinance

providing a sales tax exemption of state, local, and county supplementary taxes on certain sales of building materials which will be incorporated into real estate in the zone.

To Qualify For an Exemption

For the sale to qualify for an enterprise zone exemption, you must:

- 1. Be located within the City of Kankakee, Villages of Bourbonnais and Bradley, the contiguous areas located in unincorporated Kankakee County, or certain portions of the Village of Aroma Park.
- 2. Make a sale of building materials which will be incorporated into real estate in the zone by means of remodeling, rehabilitation, or new construction.

NOTE: The building improvement must be of the nature and scope for

which a building permit is required by the building code. To verify the exemption, the purchaser must provide you with a copy of the building permit and a signed statement indicating the address in the enterprise zone at which the building materials will be incorporated. See reverse side for an example of a Purchaser's Statement.

To Claim an Exemption

To claim an enterprise zone exemption you must:

- 1. Report gross receipts from these sales on line 1 of your sales tax return (Form RR-1-A).
- 2. Deduct the receipts on line 13 or 14 and identify the deduction as "Enterprise Zone Sales."

If you have questions or need more information, please contact us. Our address and telephone numbers are provided at the bottom of this bulletin.

FOR CALL: 1 800 732-8866 or INFORMATION 1 217 782-3336

WRITE: Illinois Department of Revenue 101 W. Jefferson St., P.O. Box 19044 Springfield, IL 62794-9044